



STATE OF MAINE
DEPARTMENT OF EDUCATION
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GOVERNOR

WILLIAM H. BEARDSLEY
ACTING COMMISSIONER

Exhibit #VII.A.

TO: Members of the State Board of Education

FROM: William H. Beardsley, Acting Commissioner*

DATE: November 10, 2015

SUBJECT: Federal Qualified Zone Academy Bond Program

STATEMENT OF FACT

The Department of Education coordinates the Federal Qualified Zone Academy Bond (QZAB) program. QZABs are bonds issued by state or local governments which the Federal government subsidizes by providing tax credits to bondholders. Maine has a 2014 QZAB allocation of \$1,435,000 available for distribution to school units.

One school administrative unit submitted a QZAB application to the Department requesting bonding authority and the Department has completed its review of the application. The applicant certifies that they will meet the Federal requirements of the QZAB program including having a 35% free and reduced lunch rate at the school, receiving a private contribution worth 10% of the bond proceeds, and using bond proceeds for rehabilitation or repair of school buildings, purchasing equipment, developing course materials, and/or training teachers and other school personnel.

CONSTRUCTION COMMITTEE'S RECOMMENDATION

The Construction Committee considered this exhibit at its October 30, 2015 meeting and voted to recommend that the State Board of Education approve the QZAB application for a project at Rangeley Lakes Regional School in RSU 78 and authorize issuance of QZABs for up to \$1,435,000.

COMMISSIONER'S RECOMMENDATION

The Commissioner recommends that the State Board of Education approve the QZAB application for a project at Rangeley Lakes Regional School in RSU 78 and authorize issuance of QZABs for up to \$1,435,000.

*Prepared by the Division of School Facilities